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February 17, 2009

Senator Jerry Black
Senate Energy and Telecom Committee
P O Box 20050
Helena, MT 59620-0500

Via FedEx

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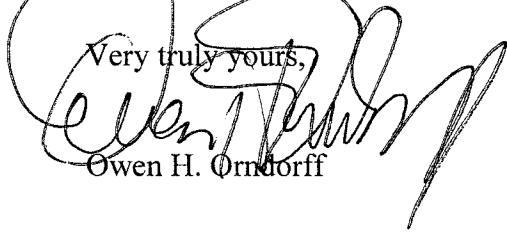
Dear Sirs/Madams:

I received a copy of the NWE letter from John S. Fitzpatrick apologizing for previous misstatements concerning QF costs. What is most disturbing is that Mr. Fitzpatrick still does not wish to admit that a MWh (megawatt hour) of existing QF resources in 2008 cost ratepayers the stipulated fixed amount of \$34.01/MWh, unless NWE wishes to forego its MPSC stipulated annual \$25,566,513 of pre-determined stranded cost payments through 2028. There is no new generation resource which can provide ratepayers energy and capacity for a ratepayer cost of \$34.01/MWh. Only existing qualified facilities provide ratepayers such a benefit.

NWE's present consumer rate is in excess of 10¢/kWh while NWE claims that the all in costs for energy is only \$53.17/MWh. Perhaps there is a further opportunity for Mr. Fitzpatrick to clarify NWE's accounting as to what is included in QF costs and NWE's claimed ratepayer costs.

In any case, CELP and YELP would like the Committee to have accurate facts and rates upon which to base any legislative policy decision.

Very truly yours,


Owen H. Orndorff

OHO/sm
Enclosures
Cc: Montana Public Service Commission
John Fitzpatrick, NWE